



U. S. Department of Justice
United States Attorney
Eastern District of Washington

PRESS RELEASE

FOR IMMEDIATE RELEASE Thursday, August 24, 2006	FOR INFORMATION CONTACT: Thomas Rice, First Assistant U.S. Attorney (509) 353-2767
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“APPELLATE COURT AFFIRMS CONVICTIONS IN CENTURY MORTGAGE FRAUD”

Spokane – James A. McDevitt, United States Attorney for the Eastern District of Washington, announced that the Ninth Circuit Court of Appeals has affirmed the convictions of Dale D. Gibbons and Sally Gibson and dismissed John T. Hansen’s appeal.

Dale D. Gibbons, formerly the President of Century Mortgage and Sally Gibson, formerly a real estate agent, were convicted in August 2004 of multiple counts of conspiracy and wire fraud after a four-week jury trial. The evidence at trial showed that Mr. Gibbons and Ms. Gibson sold homes to unsuspecting buyers at inflated prices; made false and misleading entries on uniform residential loan applications, made false and misleading entries on real estate purchase and sale agreements; and prepared false gift letters and second deeds of trust. As a result of these and other false documents, lenders were duped into wiring monies to fund the loans. Mr. Gibbons and Ms. Gibson were both sentenced on March 3, 2005. Mr. Gibbons was sentenced to serve 60 months in federal prison, followed by three years of supervised release after prison, and was ordered to pay \$449,935 in restitution. Ms. Gibson was sentenced to serve 30 months in prison, followed by three years of supervised release, and was ordered to pay \$264,406 in restitution.

Mr. Gibbons and Ms. Gibson both appealed their convictions and sentences to the Ninth Circuit Court of Appeals. Argument was heard in Seattle in June, 2006, and last week, the appellate court affirmed their convictions and sentences.

In a related case, John T. Hansen, a Spokane real estate appraiser, had been ordered to serve 18-months in federal prison, followed by three years of supervised release, for his role in the conspiracy to commit wire fraud. The Court also ordered Mr. Hansen to pay \$287,796 in restitution to the victims. The mortgage fraud scheme operated during the years 1997-2000. Mr. Hansen, who operated J. Hansen Appraisals, Inc., inflated appraisals on homes purchased by vulnerable home buyers. In February 2004, Mr. Hansen plead guilty to conspiracy to commit wire fraud and he too, appealed his sentence. Last week, the Ninth Circuit also dismissed his appeal, leaving his sentence to stand.

The investigation was conducted by the Federal Bureau of Investigation, the United States Department of Housing and Urban Development and the Washington State Department of Financial Institutions. The cases were prosecuted by George J.C. Jacobs, III, Assistant U.S. Attorney for the Eastern District of Washington.